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## FISCAL IMPACT REPORT



SPONSOR: Rawson DATE TYPED: 02/05/02 HB \_\_\_\_\_

SHORT TITLE: Revenue Source for Additional Funding SB 304

ANALYST: Gilbert

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Response Received From

State Department of Education (SDE)

State Land Office (SLO)

Public Employees Retirement Association (PERA)

Bernalillo County Metropolitan Court (BCMC)

Administrative Office of the Courts (AOC)

### SUMMARY

#### Synopsis of Bill

Senate Bill 304 amends Section 6-3-18 NMSA 1978, by adding language that requires that administrative heads of a state agencies, *who are not appointed by the governor*, to provide a recommendation of a revenue source for additional money requested within an agency's budget.

#### Significant Issues

As part of the Department of Finance and Administration (DFA) and Legislative Finance Committee (LFC) mandated budget preparation process, most agencies currently recommend a revenue source for all appropriation requests.

However, a review of Chapter 6, Article 3, "State Budgets," reveals that there is not an explicit requirement for agency appropriation requests to be exactly matched to revenue sources. In reality, the practice has been that such a dollar for dollar match is implicit in the DFA and LFC budget preparation process.

### **OTHER SUBSTANTIVE ISSUES**

Although most agencies already recommend a revenue source for appropriation requests, the Administrative Office of the Courts (AOC) believes this bill would create an onerous burden on the Judicial Branch. However, the AOC failed to list specific reasons for this claim.

### **POSSIBLE QUESTIONS**

Since requiring appropriation increases to have a specified identified revenue source is good fiscal policy, why shouldn't this provision apply to **all** agencies; not just to those outside the Governor's direct control?

**RLG/njw**